

Convergence of Air Quality, Climate & Energy Security

South Coast Air Basin:

- 25% of U.S. ozone exposure
 - 50% of U.S. PM-10 exposure
 - > 85% of airborne cancer risk from petroleum fuel use (diesel + gasoline)
- Transportation sources: > 40% of CA GHG
- Energy security:
 - CA Transportation: > 95% reliance on petroleum
 - 72% of U.S. oil supply is imported

Who would have thought...

- Chevron new discoveries = 25% of annual production
- Obama 1M EV Plan by 2015
 - With \$10 MM each for 30 companies via competition...

Our "Sputnik Moment" is now...

- Libya is threatening an energy embargo on the west
- World commodity shortages are now occurring on a cyclical basis...
- The next energy shock may not stop at \$147 per bbl...
- There is more electric drive competition than ever in history
- Energy import wealth transfer now exceeds \$1 B per day!
- CO₂ today is the highest in 450,000 years
- 2010 tied 2005 as the warmest year in recorded history
- Security = Diversity = Clean Air

Govt. Initiatives:

Regulatory Push:

- AB 32
- CARB ZEV III
- CARB ZEB rule
- EPA GHG standards
- SCAQMD Fleet Rules

Technology Push

- SCAQMD EV R+D
- CARB Hybrid support
- DOE Battery + Infrastructure support + ARPA-e
- CEC AB 118 Program

Demand Pull

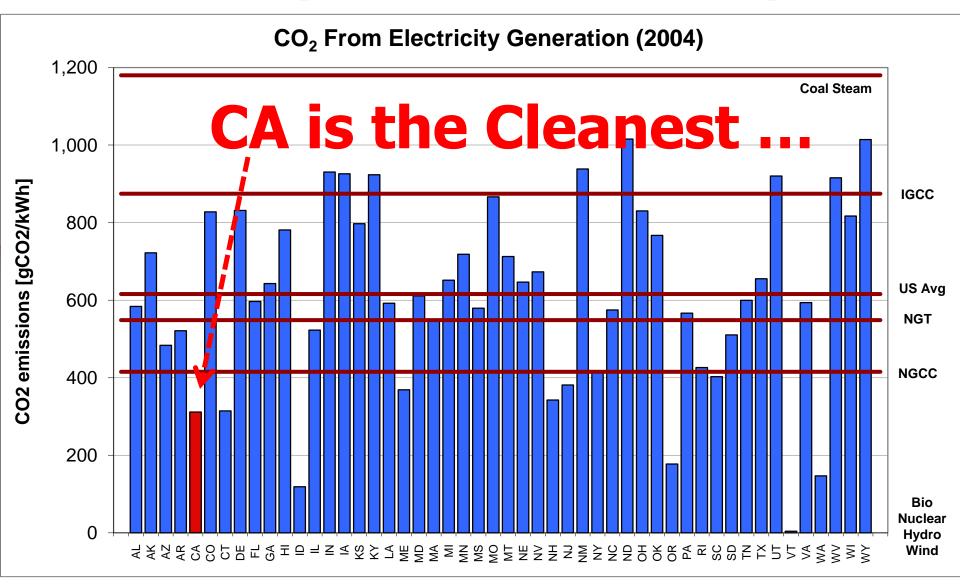
- Federal tax incentives
- CARB incentives
- SCAQMD
 - Fleet Rules, Carl Moyer, Prop 1B, Clean Fuels Program

AQMD Initiatives



- \$45 M DOE program MDT
- LD PHEV + EV RD+D
- Electric buses
- Advanced batteries
- Infrastructure
- Incentive funding

Electricity Carbon Intensity:



Electric Drive Technology: Ready for Numerous Market Segments



- LD
- Med Duty
- Heavy Duty
- Buses
- Truck Stops

OFF-ROAD SEGMENT

- Port-related
 - On-dock rail (electric)
 - Ship "cold ironing"
 - Drayage trucks
 - Gantry Cranes
- Rail
- Aircraft
 - Ground Support Equip.

Conclusions:



- The Electric Drive era has already started
- We are fortunate to hear from leading experts today:
 - Clean Fuel Connection Enid Joffe
 - SoCalEV Sarah Potts
 - Riverside Public Utilities Steve Badgett